

REBUTTAL SUBMISSION
to the
COMMISSION ON THE POSTAL SERVICE

BY THE

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The National Postal Mail Handlers Union (NPMHU), which serves as the exclusive bargaining representative for approximately 60,000 mail handlers employed by the U.S. Postal Service, respectfully files this brief statement as its rebuttal submission.*

As we noted in our Opening Submission, the Postal Service is a labor-intensive business, which currently employs almost 750,000 career employees. It therefore is not surprising that a large proportion of its costs are attributable to the wages and benefits provided to these employees.

What is surprising, however, is that numerous commentators – many of whom have little accurate information about postal wages and benefits, and almost all of whom have never had any involvement in collective bargaining within the Postal Service – find it necessary, or even advisable, to file comments on these issues. As a result, the current record before the Commission is filled with factual inaccuracies, and contains comments that are based on a total misunderstanding of the negotiations process that is currently established under the Postal Reorganization Act of 1970. The NPMHU therefore believes it would be helpful for the Commission to set the record straight on some of these issues:

* This rebuttal submission responds to various commentators who have suggested that mail handlers and other postal employees are overpaid and unproductive, and that the process for collective bargaining under the Postal Reorganization Act of 1970 should be amended. See, e.g., Comments of the Envelope Manufacturers Association and its EMA Foundation Institute for Postal Studies.

First, here are some relevant – and accurate – facts with regard to mail handlers. As we noted in our opening submission, the overwhelming majority of mail handlers work in the nation's largest metropolitan areas, where the cost of living is generally higher than average. Virtually all newly-hired mail handlers are employed in part-time flexible positions, with no fixed schedule, and no guaranteed work beyond two or four hours (depending on the size of the facility) per two-week pay period. For this position, the current starting pay – as of March 2003 – is \$13.61 per hour (or only \$13.09 if the position is full-time). Even assuming that such a recently-hired mail handler is assigned work for 40 hours per week, at that hourly rate the starting mail handler earning \$13.61 per hour would earn base annual wages equal to only \$28,309 per year (calculated as \$13.61 per hour for 2,080 hours). Assuming that the mail handler continues to work for the Postal Service, after several years of part-time employment, the employee generally (although not always) would be converted to a full-time regular position with fixed days and hours. This fixed schedule usually includes work at night between the hours of 6:00 pm and 6:00 am (over half of all mail handler hours fall within this time frame) and often includes work on weekends. After thirteen years of working for the Postal Service, the wage scale currently in effect provides for a mail handler hourly wage of \$19.74 per hour, or \$41,059 per year. This base wage remains the same, subject to future negotiated increases, for the remainder of the mail handler's career, such that a mail handler who has dedicated 30 years or more

of his or her life to the Postal Service also currently earns that same amount -- \$19.74 per hour or \$41,059 per year.

With all due respect, we would suggest that this is a fair wage, but certainly not an extravagant wage, to pay to career employees who dedicate their entire work lives to the Postal Service and the American mail system. We dare say that not one of the commentators complaining about the level of postal wages -- nor one of their hired lawyers, paralegals, or even legal secretaries -- earns less than this amount after thirty years of dedicated service. Nor is an entry wage of approximately \$13.00 per hour for a part-time job without guaranteed hours unreasonably high. To the contrary, the NPMHU submits that the Postal Service easily could justify the payment of higher wages to its career employees.

It bears noting, moreover, that these wages have increased only moderately during the past few decades. When the Postal Service was reorganized in 1970, it was universally acknowledged by Congress and by most postal stakeholders that postal employees were grossly underpaid in a difficult, if not outright unpleasant, work environment. Since then, mail handler and other postal wages have increased only gradually, and in aggregate less than the rate of inflation measured by the Consumer Price Index or general wage costs in the American economy as measured by the Employment Cost Index.

Congress in 1970 required the Postal Service to establish a career service for employees who would be paid a fair and equitable wage that was comparable to similarly situated employees in the private sector. That has

been accomplished. Those commentators who find it useful to complain about mail handlers or other postal employees who make between \$13.00 and \$20.00 per hour should be ignored.

Second, another erroneous theme running through many of the comments previously submitted to the Commission is that the collective bargaining process under the PRA is broken, and inappropriately allows a third-party arbitrator to establish postal wages and benefits. We demonstrated in our Opening Submission, however, that the current bargaining process has worked to produce fair and equitable wages and benefits without any disruptions to mail processing or delivery.

The alternative bargaining models proposed by some commentators are, with all due respect, both unworkable and inadvisable. Substituting a model based on the Railway Labor Act will encourage work disruptions, and would require Congress and the President to intervene on a routine basis in recurring labor disputes. As we previously noted, it speaks volumes that airline management is currently asking Congress to adopt a binding arbitration model, much like that in the PRA. Requiring mandatory mediation would be pointless, as such systems prove useful only when the parties themselves are unable or unwilling to discuss difficult issues amongst themselves. That hardly describes the current postal bargaining process. To the contrary, the Postal Service today enjoys long-term contracts with each of its major unions, with the last agreement or extension for each bargaining unit resulting from voluntary negotiations, not arbitration. (In 33 years, the NPMHU and the

Postal Service have engaged in twelve rounds of collective bargaining, seven of which -- including the last two, in 1998 and 2000 -- have resulted in voluntary agreements that were endorsed by postal management and ratified by the union membership. The other five bargaining disputes were resolved through arbitration, with the results willingly accepted by both parties, but even those arbitrated decisions incorporated hundreds of negotiated agreements on most of the contractual issues being decided.)

In short, the NPMHU believes that the current statutory rules governing bargaining between postal unions and management should remain unchanged, and that labor relations should continue to operate -- without legislative or executive interference -- through the representatives who have been freely elected by postal employees and the representatives chosen by postal management.

Third, several commentators snidely suggest that postal employees are unproductive. The facts show, however, that the productivity of mail handlers and other postal employees has increased dramatically. The Postal Service today processes and delivers more than 200 billion pieces of mail using approximately 750,000 employees. Not too many years ago, it required the same number of employees to process and deliver half as much mail. Through a combination of automation, worksharing by private mailers, and improved mail flow, today's mail handlers and other postal employees are more productive than ever. There is every reason to believe, moreover, that the

dedicated and productive service provided by mail handlers and other postal employees will continue into the future.

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The NPMHU appreciates the opportunity to file this rebuttal submission, and looks forward to working with the Commission and its staff in the coming weeks and months. National President John Hegarty will be testifying at the Commission hearings on April 29, 2003, and the NPMHU is available at any time to answer whatever questions the Commission might have on these or other issues.